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July 25, 1979

No. 79/124

TO COUNTY ASSESSORS:

ARBITRARY AND ESCAPE ASSESSMENTS

Questions have arisen regarding the propriety of retaining arbitrary assessments on trade fixtures as permanent 1975 base year values. The questions raise several different issues. One issue is whether it is proper to revalue the property, and another issue concerns the propriety of levying escape assessments or providing refunds because of the revaluation.

As to property with a 1975 base year value, it is our opinion that the second paragraph of subdivision (b) of Rule 460.1 applies to an arbitrary assessment. This paragraph indicates that there are certain value changes between the 1974 and 1975 assessment rolls that are not considered periodic appraisals. In event an "arbitrary" assessment was made for purposes of administrative convenience or otherwise and the factual data available for analysis was insufficient to provide the basis for a routine appraisal, value changes should be initiated to reflect appropriate value levels. Prior to June 30, 1980, such arbitrary assessments can be altered because the base values were not the result of a periodic reappraisal. Workload permitting, all assessments of an arbitrary nature should be appraised before July 1, 1980.

In the event any assessment results in property not being assessed, escape assessments may be levied for as many years as a statute of limitation allows. This should not be confused with the escape language in Senate Bill 17 that prevents escape assessments for the 1978 year where the base year value has been changed. The wording in Senate Bill 17 applies to property that was assessed but not at the proper level. Proposition 13 implementation legislation does not prohibit the levying of escape assessments on property that actually escaped assessment nor prevent the correction of assessments containing assessor's errors.

If you have any questions on the content of this letter, please direct them to Mr. Tom McClaskey, (916) 445-4982.

Sincerely,

Verne Walton

Verne Walton, Chief
Assessment Standards Division

VW:jg